



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE MATERIEL COMMAND
WRIGHT-PATTERSON AIR FORCE BASE OHIO

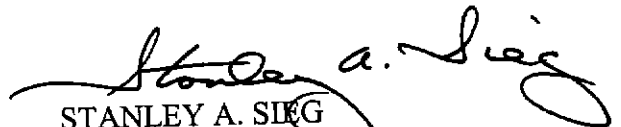
16 OCT 2001

MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/PK
4375 Chidlaw Road, Room S208
Wright-Patterson AFB OH 45433-5006

SUBJECT: General Services Administration (GSA) Schedules and Pricing

1. We have received repeated questions on the use of GSA schedules, especially the Federal Supply Schedule as a basis for price analysis. Some have taken the view that because an item is listed on a GSA schedule, the price can be considered reasonable and no further review is needed. Others have the opinion that the GSA schedule is only a listing of available prices and is not useful for price analysis. Both of these views are incorrect.
2. GSA contracting officers perform a price analysis of the items they place on their schedules. Therefore, the prices are more than just a listing of prices offered. However, GSA also encourages their customers to seek other sources, to perform price analysis, and to negotiate better prices if possible. As noted in the GSA publication, Multiple Award Schedules Program, on page 14, "... contractors may lower their prices at any time. Buying members may also seek price reductions at any time." GSA prices as a basis for price analysis are a useful tool and starting point but should be accompanied by aggressive price analysis and negotiation to adequately obtain and determine reasonable prices.
3. Note that FAR 8.404a appears to indicate that any price on a GSA schedule has already been determined reasonable. This is true for items priced below the micro purchase threshold. However, FAR 8.404b(3) and (4) state that items priced above the micropurchase threshold should be subject to additional price analysis and that contracting officers should seek additional price reductions for those purchases over the maximum order threshold. Again, GSA prices should be used as a starting point to prepare for negotiation for other than micro purchase items.
4. If you have any questions, please call my action officer, Mr. Virgil Hertling, HQ AFMC/PKPC, DSN 986-0446, or e-mail to virgil.hertling@wpafb.af.mil.


STANLEY A. SIEG
Brigadier General, USAF
Director of Contracting

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